

# BLUEPRINT

van Eyk Blueprint Alternatives Plus ARSN: 121 722 521 ASX Code: VBP

## Quarterly Performance Report

30 September 2013

### Trust Highlights

- Allocation to Gold decreased;
- The Trust's LVR for the month ending September 2013 was 26.7%.



### Investment Performance

	1 mth	3 mths	6 mths	1 yr	2 yrs pa	3yrs pa	Inception %pa
van Eyk Blueprint Alternatives Plus	-2.30%	0.46%	-2.26%	-4.25%	0.81%	3.06%	2.15%

### Master Fund Commentary

The last few weeks of the September quarter were dominated by the fiscal impasse in the US where the Democrat controlled Senate, and the Republican dominated House of Representatives, failed to pass a Budget resulting in a partial shutdown of the government. With the debt ceiling negotiations being tied in with the Budget impasse, financial markets turned their attention to the previously unthinkable possibility of default and the largely unfathomable implications on growth and financial markets.

Equity market volatility lifted, and short-dated Treasury bill yields rose to more than 0.3%. While the situation remains fluid a temporary agreement to lift the ceiling appears to have been reached.

In Europe, the purchasing manager indices data suggests that Eurozone economic growth, led by Germany, is spreading as France and Spain return to positive growth.

Manufacturing and service growth continued in Japan, supported by the weak Yen, however employment and income growth is subdued. As in the United States, Japanese companies sit on huge cash stockpiles and may require several more months of solid growth as reassurance that the current expansion in demand will be sustained.

The Chinese economy appears to be firming somewhat although rapidly rising house prices, higher than expected inflation, and a recent lift in overall credit, suggest the authorities may once again move to reign in overheated sectors and pursue economic and financial reform.

In Australia, business confidence and consumer sentiment improved substantially. The housing sector appears to be responding to an easing monetary policy and there are signs of improvement in discretionary spending. Despite an uncomfortably high currency and a projection of sub-trend growth, the Reserve Bank of Australia (RBA) believes it prudent to leave cash rates at existing low levels while the impact of previous easing continues to flow through the economy.

The Australian dollar has also continued to recover, supported by a combination of slightly improved domestic economic data, rising house prices and the lack of US tapering, with markets moving to discount any further easing by the RBA.

Although the global economic recovery to date has been modest by historical comparison, according to van Eyk, the shape of a recovery is still in place, driven mostly by the developed economies and supported by extremely easy policy settings.

Inflation remains quite benign at the moment. Our forecast is that there is a 60% probability that we will be operating in a normal economic environment globally in the near term. In Australia, the RBA left rates unchanged in September at 2.50%, with inflation at around 2.5%, giving it no cause

to raise rates. European inflation is at 1.3% and in the US inflation also remains very benign at 2%. As a result we have a moderate underweight stance in real assets, and in turn we have a reduced allocation to gold in the portfolio. Within the portfolio, the absolute equity exposure was in turn increased, to take advantage of the ongoing recovery in the equity market.

The resulting targeted portfolio is set out in the table below:

#### van Eyk Blueprint Alternatives Fund at 30/09/2013

Underlying Fund	Target	Sub-Sectors
<b>Absolute Return Strategies</b>		
van Eyk Blueprint Absolute Australian Shares Fund	14.5%	Absolute Equities
van Eyk Blueprint Absolute International Shares Fund	14.5%	Absolute Equities
van Eyk Blueprint Volatility Buffer Fund	5.0%	Absolute Equities
Tribeca Global Total Return Fund	20.0%	Global Macro
GAM Absolute Return Bond Fund	17.0%	Fixed Income Macro
<b>Real Assets</b>		
van Eyk Blueprint Gold Bullion Fund	9.0%	Gold
CSL Long/Short Fund	17.0%	Commodities
<b>Cash</b>		
Macquarie True Index Cash Fund	2.5%	Cash
Macquarie Treasury Fund	0.5%	Cash

The Master Fund is designed to provide returns that are not highly correlated with traditional share and bond market returns. van Eyk is responsible for active asset allocation. Any biases within the Master Fund reflect van Eyk's investment outlook and relative market valuations, as published in its subscription-based research for financial planners.

## Investment Objective & Strategy

The van Eyk Blueprint Alternatives Plus trust (the "Trust") is a feeder fund which invests into the unlisted van Eyk Blueprint Alternatives Fund (ARSN 112 183 249, the "Master Fund") which is issued by Macquarie Investment Management Limited. The Master Fund aims to provide an actively managed exposure to a range of specialist Underlying Managers who are highly regarded by van Eyk and who employ alternative investment strategies such as absolute return strategies, global macro, fixed income macro, direct property, commodities and gold. The Trust may use borrowings to increase the investment into the investment strategy.

The Trust, by investing in the Master Fund, aims to provide returns that are not highly correlated with traditional share and bond market returns.

## Investment Manager

van Eyk Research Pty Ltd ABN 99 010 664 632 corporate authorised representative of van Eyk Financial Group Pty Ltd ABN 28 149 679 078, AFSL 402146 (authorised representative number 408625) is responsible for investing the assets of the Trust into the Master Fund and managing the borrowings of the Trust.

van Eyk was established in 1989, and is a premier supplier of investment research to Australian and New Zealand advisers. van Eyk specialises in strategic and tactical asset allocation, investment research, direct share research and economic commentary. van Eyk is independently owned and receives no payment from fund managers for their ratings.

van Eyk also acts as Investment Manager to a series of managed funds issued by Macquarie Investment Management Limited ("Macquarie"). The van Eyk Blueprint Series consists of a number of multi-manager unit trusts, which includes the Master Fund, that provides investors with access to pre-blended portfolios in either single or multi-asset class options. van Eyk advises on the construction of the portfolios within the van Eyk Blueprint Series and the selection of Underlying Managers. van Eyk provides direction on the proportion of the allocations to each asset class, and to each Underlying Manager, in accordance with their investment research views.

## Summary of the Trust

Net Asset Value <sup>1</sup> (NAV)	\$97.7 million
Net Asset Value <sup>1</sup> per Unit	\$6.5346
NAV <sup>4</sup> Accumulation per Unit	\$11.2112

<sup>1</sup> Final ex-distribution.

<sup>2</sup> Less sell-spread.

<sup>3</sup> Rounded to four decimal figures.

<sup>4</sup> Assumes reinvestment of distributions.

## Trust Features

Listing Date	20 December 2006
Unit pricing	Weekly
Distribution frequency	Half yearly
Distribution Reinvestment Plan	Available
Applications	Investors may acquire Units on market or via a current Product Disclosure Statement.
Redemptions	On market by selling on the ASX or off-market at the Net Asset Value <sup>2</sup> per Unit each week.

## Trust Distributions<sup>3</sup> (per Unit)

Period Year Ended	Cash	Franking Credits	Total	Yield at NAV pa
30 Jun 07	\$1.1889	\$0.0023	\$1.1912	24.5%
30 Jun 08	\$0.8893	\$0.0011	\$0.8904	9.6%
30 Jun 09	\$0.2500	\$0.0000	\$0.2500	2.8%
30 Jun 10	\$0.4730	\$0.0000	\$0.4730	6.7%
30 Jun 11	\$0.6465	\$0.0000	\$0.6465	8.9%
30 Jun 12	\$0.8400	\$0.0000	\$0.8400	11.3%
30 Jun 13	\$0.1467	\$0.0000	\$0.1467	2.2%
Total	\$4.4344	\$0.0034	\$4.4378	

## About Aurora

Aurora Funds Limited ('Aurora', ASX Code: AFV) was listed on the ASX in July 2010. Aurora comprises the combined businesses of Aurora Funds Management Limited and Fortitude Capital Pty Ltd.

The combined group has in excess of \$640 million in funds under management and administration, and provides asset management and responsible entity/trustee services for Australian and New Zealand investors.

Aurora is also the issuer and/or distributor of the:

- Aurora Fortitude Absolute Return Fund (APIR Code: AFM0005AU)
- Aurora Global Income Trust (ASX code: AIB)
- Aurora Property Buy-Write Income Trust (ASX code: AUP)
- Aurora Absolute Return Fund (ASX code: ABW)
- Aurora Dividend Income Trust (Managed Fund) (ASX code: AOD)

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Issuer and Responsible Entity

**AURORA**  
FUNDS MANAGEMENT

Investment Manager  
**van Eyk**

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